

June 20, 2013

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit House File 638, an Act relating to and making appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund and the Technology Reinvestment Fund, providing for related matters, and including effective date provisions.

House File 638 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of the item designated as Section 1, subsection 1, lettered paragraph a. This item allocates funds for the moving of all employees housed in the Wallace Building to a new location, and for the repairs and maintenance of the Wallace Building. I made it clear that my top priority for the State Capitol Complex is the repair and remodeling of the State Historical Building. The \$1.8 million shall revert to the Rebuild Iowa Infrastructure Fund.

I am unable to approve Section 1, subsection 1, lettered paragraph b in its entirety. These items allocate funds in fiscal years 2014 and 2015 for the moving of all employees housed in the Wallace Building to a new location, and for the repairs and maintenance of the Wallace Building. Infrastructure investments must be made pursuant to a long-term strategic plan. I made it clear that my top priority for the State Capitol Complex is the repair and remodeling of the State Historical Building.

I am unable to approve Section 1, subsection 3, lettered paragraph b in its entirety. This item appropriates \$1 million for the River Enhancement Community Attraction and Tourism program. The Iowa Economic Development Authority (IEDA) did not request this item and it was not a part of the budget recommendation I submitted to the General Assembly.

I am unable to approve the item designated as Section 1, subsection 4 in its entirety. This item appropriates \$300,000 for the renovation and construction of certain nursing facilities.

Currently, the State of Iowa reimburses nursing facilities for construction and renovation through the current Medicaid cost reporting and reimbursement rates. The Department of Human Services did not request this item. Additionally, nursing facilities are receiving a \$15,268,148 provider rate increase based on the cost reports submitted to the State, \$1 million more than I recommended as part of the budget recommendation I submitted to the General Assembly.

I am unable to approve the item designated as Division VIII in its entirety. This item requires the IEDA to conduct a study to determine the effectiveness of giving priority to projects that attract the highest number of visitors and highest match levels from the Community Attraction and Tourism (CAT) fund. The CAT program has been an important economic development tool for smaller communities throughout our state. This provision suggests a shift in the program's policy focus which I cannot support.

I am unable to approve Section 44 in its entirety. This item allocates \$800,000 for the moving of all employees housed in the Wallace Building to a new location, and for the repairs and maintenance of the Wallace Building. I made it clear that my top priority for the State Capitol Complex is the repair and remodeling of the State Historical Building. The \$800,000 shall revert to the Rebuild Iowa Infrastructure Fund.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 638 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor